

Gen Y Customer's Perception Towards Online Buying – An Empirical Study

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ABSTRACT

Purpose: The aim of the current study is to identify the relationship between factors determining customer satisfaction & behavioral intentions and Customer Loyalty towards online buying.

Methodology: The questionnaire containing demographic attributes and factors determining behavioral intentions and customer loyalty towards online buying have been distributed to 200 in various region of TamilNadu GEN Y respondents.

Findings: The findings of the current study shows that the Ease of use in relation with the Behavioral Intentions and Satisfaction and customer loyalty of the Online buying Sector

Significance: The Findings of this research will be helpful for the e commerce sectors in developing customer loyalty and in formulating various strategies to increase and promote the customer loyalty.

Keywords: Online buying, Customer Loyalty, Satisfaction and behavioral intentions towards customer loyalty.

1. INTRODUCTION

Number of people who have been purchasing products through online have been increased drastically in the last decade or so. It is very important for every firm in the market, producing many different types of goods and to have more number of loyal customers. Every product faces with unique challenges while developing strategies to enhance customer satisfaction and loyalty, especially in this online buying sector.

The major factor that influences the loyalty of the customer has been defined as the service provided by the websites (Gajendra Sharma & Wang Lijuan, 2015). But in the recent times, the perception towards this factor has been changed consciously. The researchers has identified the individual attributes and perception towards customer loyalty towards this sector (Sejin Ha & Leslie Stole, 2012)

It has been understood that the service quality is the major factor in influencing customer satisfaction, which in turns provide greater influence towards the customer loyalty (Muslim Amin, 2016). Not only services offered, but also the privacy of the customers and the perceived value about the websites and the value that have been gained by customer by using the website also have significant influence on the loyalty (Paramaporn Thaichon & Charlas Jebarajakirthy, 2016)

It has been found after many studies that the online buyers are concentrating more on the behavioral aspects of the people and their responses to the competitors (Tulasi Jayakumar, 2016). The process of creating loyalty among customers, especially in the online buying sector is always a difficult one, since there are many customers having different attributes, concerns and perception, so the websites must make all the values in the play accordingly to create the customer loyalty (Priya Mary Mathew).

2. PROBLEM STATEMENT

The study about the online buying loyalty has wider previous literature by various authors which has been the driving force for the current study too. In early days the perception was that Internet and technology only played a minimal role in buyer and seller relationships (Dawn R Deeter-Schmelz & Karen Norman Kennedy, 2004). But in the following year's internet and technology played a very crucial role in the buyer-seller relationships.

Then, the online buying sector has another important challenges of customer loyalty. The satisfaction and trust and individual behaviors have been the driving factors in the loyalty of the customers (Shiyu Chou, Chi-Wen & Jiun You Lin, 2015). It is also emphasizes on the studies that privacy also has a considerable influence over the customer loyalty (Sharma Gajendra & Lijuan Wang, 2014)

3. CUSTOMER LOYALTY AND SATISFACTION

As the Gen Y people have very unique taste and preferences it is important to consider their level of satisfaction and maintain their loyalty. It is not so easy to satisfy a customer as their needs and perceived value towards the website will vary accordingly to individuals (Hong Youl Ha & Hee-Young Son, 2014). The customer satisfaction may be the difficult one to in the Online buying, but there are certain factors that influence it, they are satisfaction with the fundamental service, additional service and the interface which has been used by the customer (Allard C.R. Van Riel, Veronica Liljander & Petra Jurriens, 2001).

4. CUSTOMER LOYALTY AND BEHAVIORAL INTENTIONS

People as a common individual have many individual attributes that makes them unique. Gen Y are younger generation who strive towards their own uniqueness and give more important effort to shape their uniqueness. Many customers have many perceptions towards the website and perceived value which differs accordingly (Yam B. Limbu, Marco Wolf & Dale L. Lunsford, 2011). The behavioral intentions of the individuals have been driven by various factors such trust, habit, customer's perceived risk and value and their perceived satisfaction levels (Li H.H. & Wang Y.S.).

5. RESEARCH OBJECTIVES AND HYPOTHESIS

The current study analyze the factors determining customer loyalty on e-commerce and online trading and study data is collected from various region of Tamilnadu and responses were collected from various age groups. The basic hypotheses of this study are customer loyalty on Online buying and online trading and it is based on the survey conducted to the public. The study has the following objectives

- To study the factors determining customer satisfaction (Order condition, Timeliness, Order Accuracy, behavioral intention, satisfaction) and the customer loyalty of online buying behavior.
- To study about the perception of customer towards the services of the web sites (Ease of use, Functionality, design quality) that influence the frequency purchase of online buying of customer.
- To study about the perceptions of customer's towards the information privacy (Informational trust, competence, product portfolio, security) which affect the trust over the website.

Based on the above objectives the following hypothesis was formulated:

Hypothesis: There is no significant difference between the perception of customer towards the factors determining online purchase and the level of customer satisfaction and behavioral intentions.

6. METHODOLOGY

Participants: The study data has been collected from various region of Tamilnadu from 200 customer. They were requested to participate in the survey, which comprise questions related to their perception towards online buying, satisfaction and loyalty including privacy, satisfaction, service of the online site. They were also requested to provide their demographic information like age and educational qualification.

Measures: Tulsi Jayakumar (2016) enquiry about the Behavioral lessons from Flipkart's Big-Billion Day sale and also he analyze about E-satisfaction and E-loyalty. Hong-Youl Ha (2014) explain about product usage satisfaction, perceived risk & loyalty intentions, and investigate. Consumer evaluations in the e-service context have been already identified by many researchers. The questionnaire was developed by the researchers based on the above previous studies.

Data Analysis

Table 1
Demographic profile of Respondents

<i>Demographic Analysis</i>					
<i>Gender</i>	<i>Frequency</i>	<i>Percent</i>	<i>Interest</i>	<i>Frequency</i>	<i>Percent</i>
Male	118	59	Electronics	33	16.5
Female	82	41	Mobile	86	43
			Book	17	8.5
			Dress	32	16
			Cosmetics	32	16

<i>Demographic Analysis</i>					
<i>Age</i>	<i>Frequency</i>	<i>Percent</i>	<i>Times</i>	<i>Frequency</i>	<i>Percent</i>
20-22	75	37.5	1	33	16.5
23-25	60	30	2-5	55	27.5
Above 25	65	32.5	5-10	68	34
			More than 10	44	22
<i>Qualification</i>	<i>Frequency</i>	<i>Percent</i>			
UG	42	21			
PG	89	44.5			
Others	69	34.5			
<i>WEBSITE</i>	<i>Frequency</i>	<i>Percent</i>			
Flipkart	81	40.5			
Amazon	45	22.5			
Snapdeal	39	19.5			
Shopclues	10	5			
Ebay	11	5.5			
Myntra	11	5.5			
Jabong	3	1.5			

From the above table it can be understood that the 59% of the respondents are male and 41% are female. And the most of the respondents are in the age group of 20-22 years i.e. 37.5%. About 45% of the respondents have PG degree. And most of the choose Flip kart as the preferred website (40%). And about 43% of the respondents use web sites for purchase of the mobile phones. And around 34% of the respondents are viewing websites more than 5 times a month.

Table 2
Mode of usage for online purchase

<i>Reach</i>	<i>Frequency</i>	<i>Percent</i>
Mobile app	119	59.5
Website thru lap	46	23
Website thru desktop	34	17
<i>Preference</i>	<i>Frequency</i>	<i>Percent</i>
Easy accessing	24	12
Low price	113	56.5
Prompt delivery	33	16.5
Branded products	29	14.5
<i>Payment</i>	<i>Frequency</i>	<i>Percent</i>
Net banking	127	63.5
Debit/Credit card	72	36

From the Table 2 it can be understand that the 60% of the respondents are using mobile apps of their preferred web sites. And more than 55% of the respondents accepted that they are using the online buying only because of the low price offered by the web sites. Net banking is also identified as the preferred mode of payments by the customers.

Table 3
Friedman test for factors Ease of use and Information Trust to determine Online Buying Behavior

<i>Factor</i>	<i>Friedman Test Mean Rank</i>	<i>Rank</i>	<i>Test Statistics</i>
<i>Ease of Use</i>			
Easy to get anywhere	11.16	1	Chi Square: 89.742
Don't get lose	9.35	2	Df : 17
Contain Site map	8.66	4	Asymp. Sig: 0
Allows to find a page previously viewed	8.62	5	
Allows to go back when the customer make a mistake	9.20	3	
<i>Information Trust</i>			
Items are available in inventory	10.48	1	Chi Square: 89.742
Provides information about item costs with shipping costs included	10.12	2	Df : 17
Provides information about total purchase as the order progress	9.10	4	Asymp. Sig: 0
Price of items shown on the screen	8.97	7	
Accurate information about when order received	8.88	8	
Website has information that is objective	9.38	3	
Does not crash	9.02	6	
Provides numerous payment options	9.03	5	

From the Table 3 it is clear that the easy to get the product anywhere has been ranked first by the respondents (11.6) among the factor 'Ease of Use'. It is also understand from the table that available of items in the inventory of the website ranked first (10.48) among the factor 'Information Trust'. These two factors have strong influence over the customer loyalty for the websites.

Table 4
Friedman test for factors Security and Design Quality to determine Online Buying Behavior

<i>Factor</i>	<i>Friedman Test Mean Rank</i>	<i>Rank</i>	<i>Test Statistics</i>
<i>Security</i>			
The company will not misuse the consumer's personal information	8.43	1	Chi Square : 62.602
Safety in online transaction	7.84	2	Df : 13
Secure in providing Sensitive information	7.43	3	Asymp. Sig: 0
Low risk rate in online transaction	6.72	4	
<i>Design Quality</i>			
Visually pleasing	9.34	1	Chi Square : 246.651
Design is Innovative	8.21	2	Df : 14
Website don't have a fine print	7.58	4	Asymp. Sig: 0
Unable to see the graphic clearly on this website	7.78	3	
Customers don't have scroll from side to side adequately see that web page	6.52	5	

From the Table 4 it can be clearly understand that the "belief of customers towards the web sites should not misuse the personal information" ranked first (8.43) in the factor 'Security'. "The visually

pleasing website” has been ranked first (9.34) in the factor ‘Design Quality’. These two factors have strong influence over the customer loyalty of the websites

Table 5
Correlation analysis for the factor determining online buying and level of Customer Satisfaction

<i>Factor</i>	<i>r</i>	<i>Sig</i>	<i>Result</i>
Ease of Use	0.483	0.000	Positive relationship
Information Trust	0.369	0.000	Positive relationship
Design Quality	0.214	0.002	Positive relationship
Security	0.476	0.000	Positive relationship

Correlation analysis has been done to study the relationship between the variables. From the Table 2, it can be inferred that there exists a statistically significant relationship between satisfaction and other factors ranging from 0.214 to 0.483. From these analysis it was found that there was a significant positive relationship for **ease of use** and Customer Satisfaction. The factor **security** has a significant positive relationship towards the customer satisfaction. The low influencing factor is Design Quality with 0.214 significant.

Table 6
Correlation analysis for the factor determining online buying and Behavioral Intentions

<i>Factor</i>	<i>r</i>	<i>Sig</i>	<i>Result</i>
Ease of Use	0.383	0.000	Positive relationship
Information Trust	0.373	0.000	Positive relationship
Design Quality	0.152	0.032	Positive relationship
Security	0.429	0.000	Positive relationship

Correlation analysis reveals that security has a strong positive relationship with behavioural intentions ($r = 0.429$). It is also concluded that the loyalty of customer or retention of customer depends upon the security factor. There is a low relationship between design quality ($r = 0.152$) and the Behavioural Intention of the customer.

Table 7
Regression analysis for the factor determining online buying and level of Customer Satisfaction

<i>Factor</i>	<i>R</i>	<i>R square</i>	<i>Adjusted r square</i>	<i>Std error of estimate</i>	<i>Beta</i>	<i>t</i>	<i>F</i>	<i>Sig</i>
Ease of Use	0.483	0.233	0.229	2.185	0.467	7.753	60.105	0.000
Information Trust	0.369	0.136	0.132	2.318	0.186	5.594	31.294	0.000
Design Quality	0.214	0.046	0.041	2.437	0.115	3.086	9.524	0.002
Security	0.476	0.226	0.222	2.194	0.407	7.622	58.090	0.000

Regression analysis was conducted to study the relationship between the factor determining online buying and level of Customer Satisfaction. From the Table 4, it can be inferred that there exists a statistically significant relationship between the factor determining online buying and customer satisfaction. The R² Value are ranging from 0.233 and 0.046. Among the relationship it was found that **ease of use (Beta value**

= **0.467; sig 0.00**) factor influence more it means the satisfaction level of customer mostly depends upon how easy find the websites. Equally important is security factor (**(Beta value = 0.407; sig 0.00)**).

Table 8
Regression analysis for the factor determining online buying and Behavioral Intentions

<i>Factor</i>	<i>R</i>	<i>R square</i>	<i>Adjusted r square</i>	<i>Std error of estimate</i>	<i>beta</i>	<i>t</i>	<i>F</i>	<i>Significance</i>
Ease of Use	0.382	0.146	0.142	1.851	0.298	5.828	33.966	0.000
Information Trust	0.373	0.139	0.134	1.858	0.151	5.658	32.016	0.000
Design Quality	0.151	0.022	0.018	1.980	0.065	2.158	4.656	0.032
Security	0.429	0.184	0.180	1.809	0.294	6.685	44.693	0.000

Regression analysis was conducted to study the relationship between the factor determining online buying and Behavioral Intentions. From the Table 5, it can be inferred that there exists a statistically significant relationship between the factor determining online buying and Behavioral Intentions. Among the relationship it was found that **ease of use (Beta value = 0.298; sig 0.00)** factor influence more it means the behavioral Intentions of customer mostly depends upon how easy and user friendly the websites are. Equally important is **factor security (Beta value = 0.294; sig 0.00)**.

7. CONCLUSION

The ultimate aim of our research is to increase the loyalty the online customer, increase the number of purchase, and to feel safe of their personal information. In this study multiple regression analysis has been used to measure the relationship between satisfaction and behavior intention to the study factors like information trust, ease of use, design quality, privacy and security. In that the security factor gets more significant relationship between both satisfaction and behavior intention of the customer. Its shows that the customer wants to have secured transaction through the particular online site. Based on the correlation results, it is interesting to conclude that the ease of use gets more positive relationship for both satisfaction and behavior intention. Next is security factor which is positively correlated towards satisfaction. The design quality factor is also positively correlated towards behavior intention of the customer.. In Friedman Rank analysis, the availability of websites and the accuracy of the information gets highest mean rank value.

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